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October 25, 2006

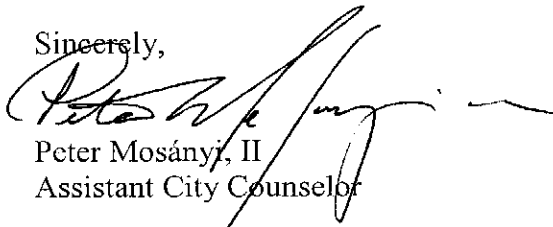
Mr. Dan Reeb
Senior Business Development Manager
American Traffic Solutions, Inc.
3800 Hampton Avenue, Ste. 3300
St. Louis, Missouri 63109

Re: Automated Traffic Safety Camera System

Dear Dan:

You will find enclosed an executed original of the Agreement for an Automated Traffic Safety Camera System and Services. In the coming days, I will contact you to discuss the next step(s) in initiating the implementation of this agreement.

Sincerely,


Peter Mosányi, II
Assistant City Counselor
~~cc: Steve Kovac~~

**AGREEMENT FOR
AN AUTOMATED TRAFFIC SAFETY CAMERA SYSTEM
AND SERVICES**

THIS AGREEMENT FOR AN AUTOMATED TRAFFIC SAFETY CAMERA SYSTEM AND SERVICES ("Agreement") is made this 24th day of October, 2006 by and between AMERICAN TRAFFIC SOLUTIONS, INC. ("ATS"), a corporation duly registered under the laws of the State of Kansas with its principal place of business at 14861 North Scottsdale Road, Suite 109, Arizona, County of Maricopa, State of Arizona, and THE CITY OF ST. LOUIS (the "City"), a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (together "the Parties").

WITNESSETH:

WHEREAS, the City's Board of Aldermen passed Ordinance No. 66868 relating to traffic control, and authorized the installations of and contracts relating to one or more Automated Traffic Safety Camera Systems, and established standards for prosecution of violations of traffic control ordinances detected by such Automatic Traffic Safety Camera Systems.

WHEREAS, the City desires to enter into a professional service contract, pursuant to City Revised Code Chapter 3.97, with a company to provide red-light enforcement equipment and services;

WHEREAS, pursuant to City Ordinance No. 64102, the City, through the Office of the City Counselor, formed a Selection Committee and conducted a Request for Proposals ("RFP") for an Automated Traffic Safety Camera System;

WHEREAS, through the aforementioned process, the Selection Committee requested, received, and evaluated proposals for the services designated under the RFP;

WHEREAS, the Selection Committee has recommended that the City contract with ATS as proposed in ATS' RFP response dated June 9, 2006;

WHEREAS, ATS has the exclusive knowledge, possession and ownership of certain equipment, licenses, and processes, referred to collectively as the "Axis™ System;"

WHEREAS, the City desires to use the Axis™ System to monitor red light violations, traffic speed or other traffic movements and to issue citations for traffic violations; and

WHEREAS, ATS has agreed to provide, and the City has agreed to pay for, the services described below upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals and mutual promises set forth below and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS:

As used in this Agreement, the following words and terms shall, unless the context otherwise requires, have the respective meanings provided below:

"**Agreement**" means this contract between the Parties, including all exhibits and any written amendments authorized by the City and ATS.

"**Citation**" means a citation issued by a competent state or municipal law enforcement

agent or agency or by a court of competent jurisdiction relating to a violation documented or evidenced by the Axis™ System.

"Person" or "persons" means any individual, partnership, joint venture, corporation, trust, unincorporated association, governmental authority or political subdivision thereof or any other form of entity.

"Automated Traffic Safety Camera System" or "System" means a digital photo-traffic monitoring device consisting of camera(s) and a traffic monitoring device capable of accurately detecting a traffic infraction on up to four lanes and which records such data on an image of such vehicle. The "System" shall, where the sense requires, also include any enclosure or cabinet in which the Axis™ is stationed.

"Approach" is defined as one direction of travel of one or more lane on a road or a traffic intersection.

"Violation" means failure to obey an applicable traffic law or regulations, including, without limitation, failure to obey a traffic signal, operating a motor vehicle in excess of the posted speed limit, and operating a motor vehicle without displaying a valid license plate.

"Operational Time" means the actual time that an Automated Traffic Safety Camera System is monitoring traffic.

2. ATS AGREES TO PROVIDE:

- a. ATS shall, in a competent and efficient manner, provide all labor, material, and supervision necessary to provide a complete end-to-end Automated Traffic Safety Camera System, and other services described in this Agreement, this Paragraph 2, Exhibit "A," and any other Exhibits attached hereto.
- b. ATS shall assign a Project Manager to this project. The Project Manager shall be the single point of contact responsible for all work and services undertaken and provided by ATS. All communications given or received from the Project Manager shall be binding on ATS. The Project Manager shall be dedicated to the City's project and shall maintain a substantial presence in the City during the period of installation of the first ten (10) cameras and thereafter for no less than six (6) months. At all times, the Project Manager shall be on site in the City whenever necessary to ensure the success of the project. ATS shall also provide the City with the name, e-mail and telephone number of an alternate person who shall answer any questions if the Project Manager is unavailable.

3. THE CITY AGREES TO PROVIDE:

The scope of work identified in Exhibit "B."

4. NOTICE TO PROCEED:

ATS shall not install any System at any intersection until instructed to do so via a written Notice to Proceed issued by the City. Each Notice to Proceed shall instruct ATS to install Systems at designated intersections listed in the Notice to Proceed. Although the City will solely determine the specific intersections for System installation, the City may seek ATS' assistance for site analysis recommendations prior to specific intersection selection. From the start date listed in the Notice to Proceed, ATS shall have one-hundred and twenty (120) days to install and make operational a System of ten (10) intersections, unless a different number is approved by the City. On or before the date for complete installation and operation of each ten (10) intersections, ATS shall notify the City in writing that the installation is complete and that the System in its entirety is operational. ATS shall not issue citations for any intersection until instructed by the City.

5. TERM AND TERMINATION:

- a. The term of this Agreement shall commence on the last date signed below and shall

expire five (5) years from that date.

b. The City, at its sole discretion, may extend the original term of this Agreement for an additional five (5) year renewal period by providing thirty (30) days' written notice of such renewal to ATS.

c. ATS' services under this Agreement may be terminated:

- i) By mutual consent of the Parties;
- ii) At the City's convenience, but only after the first three (3) years of this Agreement, by giving ATS one-hundred and twenty (120) days written notice, and such termination for convenience is cumulative of all rights and remedies which exist now or in the future. This subparagraph ii) shall not supersede subparagraphs i), iii), iv), v), and/or vi);
- iii) For cause, by either party where the other party fails in any material way to perform its obligations under this Agreement. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefor, and the other party fails to cure the default within forty-five (45) days after receiving notice;
- iv) If ATS becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or is wound up or liquidated, voluntarily or otherwise;
- v) If any ordinance enacted by the City's Board of Aldermen as required by the Agreement to enforce violations of traffic signals is declared to be unconstitutional or invalid by any trial or appellate court in Missouri;
- vi) If by virtue of a change to existing Missouri law, the usage by the City of an Automated Traffic Safety Camera System in the aid of enforcing red light violations is deemed illegal, or otherwise impermissible, or if such change would cause the City unreasonable effort to perform its obligations.

d. Upon termination of this Agreement, either for breach or because it has reached the end of its term, the Parties recognize that the City will have to process traffic law violations in the "pipeline," and that ATS accordingly must assist the City in this regard. Accordingly, the Parties shall take the following actions, and shall have the following obligations, which survive termination during the wind-down period: The City shall cease using the Axis™ System, shall return all equipment to ATS within a reasonable time not to exceed (thirty) 30 days, and shall not generate further images to be processed. Unless directed by the City to not do so, ATS shall continue to process all images taken by the City before termination and provide all services associated with processing in accordance with this Agreement, and shall be entitled to all fees specified in the Agreement as if the Agreement were still in effect.

e. Upon termination or expiration of this Agreement for any reason, ATS shall remove its equipment no later than forty-five (45) days from the date of termination. Costs of removal shall be at ATS' sole expense.

6. ASSIGNMENT:

Neither party may assign all or any portion of this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed; provided, however, the City hereby acknowledges and agrees that the execution, delivery and performance of ATS' rights pursuant to this Agreement shall require a significant investment by ATS, and that, in order to finance such investment, ATS may be required to enter into certain agreements or arrangements

("Financing Transactions") with equipment lessors, banks, financial institutions or other similar persons or entities (each, a "Financial Institution" and collectively; "Financial Institutions"). The City hereby agrees that ATS shall have the right to assign, pledge, hypothecate or otherwise transfer ("Transfer") its rights, or any of them, under this Agreement to any Financial Institution in connection with any Financing Transaction between ATS and any such Financial Institution subject to the City's prior written approval, which approval shall not be unreasonably withheld or delayed. The City further acknowledges and agrees that in the event that ATS provides written notice to the City that it intends to Transfer all or any of ATS' rights pursuant to this Agreement, and in the event that the City fails to provide such approval or fails to object to such Transfer within forty-five (45) business days after its receipt of such notice from ATS, ATS shall be free to effect said Transfer.

7. FEES AND PAYMENT:

The City shall pay and ATS shall accept fees at the prices and the conditions set forth in Exhibit "C" ("Fees") for all services rendered by ATS, within thirty (30) calendar days, based upon invoices from the preceding month.

8. COMMUNICATION OF INFORMATION:

ATS agrees that all information obtained by ATS through operation of the Axisis System shall be made available to the City at any time during ATS' normal working hours, excluding trade secrets and other confidential or proprietary information not reasonably necessary for the prosecution of citations or the fulfillment of the City's obligation under this Agreement.

9. ATS' CONFIDENTIAL INFORMATION:

- a. ATS understands that any records, including but not limited to RFP response submittals, this Agreement, and any other materials it submits to the City, or that are used by the City even if ATS possesses the records, are public records under the Missouri Sunshine Law, Mo. Rev. Stat. 610.010 *et seq.* Public records must be promptly disclosed upon request unless a statute exempts them from disclosure,;however the rest of that record generally must be disclosed.
- b. ATS shall separate and clearly mark as "proprietary" all records related to this Agreement or the performance of this Agreement that ATS believes legitimately are exempt from disclosure, and shall mark "proprietary" only information ATS believes fits within an exemption and will state the statutory exception upon which it is relying.
- c. If the City notifies ATS of a public records disclosure request, and ATS believes records are exempt from disclosure, it shall be ATS' responsibility to make a determination and pursue a lawsuit, if applicable, to enjoin disclosure. ATS must obtain and serve it on the City before the close of business on the tenth (10th) business day after the City sent notification to ATS. It shall be ATS' sole discretionary decision whether to file the lawsuit. If ATS does not timely obtain and serve an injunction, ATS is deemed to have authorized releasing the record.
- d. Notwithstanding the above, ATS shall not take any action that would affect (1) the City's ability to use goods and services provided under this Agreement or (2) ATS' obligations under this Agreement.
- e. ATS shall fully cooperate with the City in identifying and assembling records in case of any public disclosure request.

10. THE CITY'S CONFIDENTIAL INFORMATION:

- a. ATS shall not use any information acquired by this program with respect to any violations or the City's law enforcement activities for any purpose other than the program. At all times, ATS will recognize the City's sole and exclusive ownership of all documents and information provided by the City relating to the services and the sole and exclusive right

and jurisdiction of the City to control the use of this information. ATS agrees to return all data furnished and information derived hereunder promptly upon a request by the City.

- b. If the City receives a public disclosure request for records that ATS has marked as "proprietary" information, the City may promptly notify ATS of the request. The City may postpone disclosing these records for fifteen (15) business days after it has sent notification to ATS, in order to allow ATS to determine whether to file a lawsuit to enjoin disclosure.

11. OWNERSHIP OF SYSTEM:

It is understood by the City that the Axis System being installed by ATS is, and shall remain, the sole property of ATS, unless separately procured from ATS. The Axis System is being provided to City only under the terms and for the term of this Agreement.

12. INDEMNIFICATION AND INSURANCE:

a. ATS shall at all times comply with all federal, state and local laws, ordinances and regulations and shall comply with the maintenance procedures and manufacturer recommendations for operation of the Axis™ equipment which affect this Agreement, and shall indemnify and save harmless the City, its officers, agents and employees against any and all claims, causes of action, suits, judgments, investigations, legal or administrative proceedings, penalties, fines, damages, losses, liabilities, costs and expenses arising from the violation of any such laws, ordinances and regulations or any claims arising from the violations of the maintenance procedures and manufacturer recommendations for operation of the equipment as a result of the negligence or willful misconduct of ATS, its officers and directors, agents, attorneys, and employees, but excluding any employees or agents of City.

b. ATS shall maintain the following minimum scope and limits of insurance:

i) Commercial General Liability Insurance including coverage for bodily injury, property damage, premises and operations, products/completed operations, personal and advertising injury, and contractual liability with a combined single limit of \$1,000,000 per occurrence. Such insurance shall include the City, its officers, directors, employees, and elected officials as additional insured's for liability arising from ATS' operation.

ii) Workers Compensation as required by applicable state law, and Employers' Liability insurance with limits of not less than \$1,000,000 each accident; ATS shall at all times maintain worker's compensation insurance coverage in the amounts required by law, but shall not be required to provide such coverage for any actual or statutory employee of City.

iii) Comprehensive Business Automobile Liability Insurance for all owned, non-owned and hired automobiles and other vehicles used by ATS with a minimum \$1,000,000 per occurrence combined single limit bodily injury and property damage.

The City and its officers and employees, shall be named as additional insured on the comprehensive general liability policies provided by ATS under this Agreement. ATS shall require any subcontractors doing work under this Agreement to provide and maintain the same insurance, which insurance shall also name the City and its officers, employees, and authorized volunteers as additional insured.

Certificates showing ATS is carrying the above described insurance, and evidencing the additional insured status specified above, shall be furnished to the City within thirty (30) calendar days after the date on which this Agreement is made. Such certificates shall show that the City shall be notified of all cancellations of such insurance policies. ATS shall forthwith obtain substitute insurance in the event of a cancellation.

Inasmuch as the City is a body politic and corporate, the laws from which City derives its powers, insofar as the same law regulates the objects for which, or manner in which, or the concerns under which, the City may enter into this Agreement, shall be controlling and shall be incorporated by reference into this Agreement.

13. WARRANTIES:

ATS warrants that all materials, equipment, and/or services provided under this Agreement shall be fit for the purpose(s) for which intended, for merchantability, and shall conform to the requirements and specifications herein. Acceptance of any service and inspection incidental thereto by the City shall not alter or affect the obligations of ATS or the rights of the City.

14. CORRESPONDENCE BETWEEN THE PARTIES:

All notices required to be given under this Agreement shall be deemed given when mailed by first class mail, addressed to the proper party to the address set forth on the first page of this Agreement.

15. PUBLICITY:

No news release, advertisement, promotional material, tour, or demonstration related to the City's purchase or use of ATS' product or any services performed pursuant to this Agreement shall be produced, distributed, or take place without the prior, specific written approval of the City or its designee.

16. CHOICE OF LAW:

This Agreement shall be governed, interpreted, and construed under and in accordance with the laws of the State of Missouri.

17. COMPLIANCE WITH ALL LAWS:

ATS shall be responsible for compliance with all applicable local, state, and federal laws, statutes, codes, regulations, executive orders, and ordinances in relation to the services provided under this Agreement. This includes, but is not limited to, the Missouri Sunshine Law, the City's Living Wage Ordinance No. 65597, and Executive Order No. 28, as amended from time-to-time, regarding minority participation. For a list of minority participating firms, see Exhibit "E."

18. INSPECTION AND AUDITS:

City representatives may perform audits of ATS' books and records located at all ATS office locations (3800 Hampton Avenue, Suite 3300, St. Louis, Missouri 63109 and 14861 N. Scottsdale Road, Suite 109, Scottsdale, AZ 85254) relating to the services provided under this Agreement, including, but not limited to, financial records related to the billing and collection process, and inspections of all places where work is performed for the City of St. Louis in connection with this Agreement. ATS shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates. This Paragraph does not affect the applicable statute of limitations.

19. ADDITIONAL SERVICES:

Additional systems and services may be added to this agreement by mutual consent of the parties in writing as an addendum to this Agreement. All other terms and conditions shall remain the same.

20. VENUE:

Any action at law, suit in equity, or other judicial proceeding to enforce or construe this Agreement, or regarding its alleged breach, shall be instituted only in the Circuit Court of the City of St. Louis, Missouri.

21. LEGAL CONSTRUCTION:

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

22. PRIOR AGREEMENT SUSPENDED:

This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understanding, written or oral, between the parties respecting the written subject matter.

23. AMENDMENT:

No amendments, modifications, or alterations of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date of this Agreement and duly executed by the parties.

24. INDEPENDENT CONTRACTOR:

ATS is an independent contractor providing services to the City and the employees, agents and servants of ATS shall in no event be considered to be the employees, agents, or servants of the City. This contract is not intended to create an agency relationship between ATS and the City.

25. TAXES, FEES AND LICENSES:

- a. Where required by local, state, or federal statute or regulation, ATS shall pay for and maintain in current status all taxes that are necessary for the performance of services under this Agreement. Should the City be exempt from payment of federal, state, or local taxes, ATS' invoices to the City shall not contain assessments of any of these taxes.
- b. ATS, at no expense to the City, shall secure, pay for, and maintain in current status all license fees, assessments, permit charges that are necessary for the performance of services under this Agreement. It is ATS' sole responsibility to monitor and determine any changes or the enactment of any subsequent requirements for said fees, assessments, or charges and to immediately comply with said charges during the entire term of this Agreement. ATS shall pay all custom duties, brokerage or import fees where applicable as part of this Agreement. ATS shall take all necessary actions to ensure that materials and/or equipment purchased are expedited through customs.

26. FORCE MAJEURE:

Neither party shall be liable to the other or be deemed to be in breach of this Agreement for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include, but are not limited to, acts of God or the public enemy, terrorism, significant fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or governmental authorities approval delays which are not caused by any act or omission by ATS. The party whose performance is affected agrees to notify the other promptly of the existence and nature of any delay.

27. NOTICES:

Any notices or demand which under the terms of this Agreement or under any statute must or may be given or made by ATS or City shall be in writing and shall be given or made by personal service, telegram, first class mail, FedEx, or by certified or registered mail to the parties at the following address:

If to ATS: 14861 N. Scottsdale Rd, Suite 109
Scottsdale, AZ 85254

with a copy to

3800 Hampton Avenue, Ste. 3300
St. Louis, Missouri 63109
Attn: Dan Reeb, Senior Business Development Manager
Fax: 314-481-6771

If to the City:

City Counselor
314 City Hall
St. Louis, Missouri 63103
Fax: 314-622-4956

with a copy to

Office of the Director
Street Department
1900 Hampton Avenue
St. Louis, Missouri 63139
Fax: 314-768-2888

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the date last written below.

Executed by **ATS** on this 19th day of October, 2006.

Executed by the **City** this 24th day of October, 2006.

AMERICAN TRAFFIC SOLUTIONS, INC.

THE CITY OF ST. LOUIS

Adam Tuton by: Dan Reeb
Adam E. Tuton, EVP/COO; Dan Reeb/
Senior Business
Development Mgr.

Darlene Green & Thomas Baggio
Comptroller

Francis R. May
Mayor

ATTEST:

James J. May
Register

Approved as to Form:

Pat Hayman
City Counselor

COMPTROLLER'S OFFICE
DOCUMENT # 54282

Exhibit A
ATS SCOPE OF WORK

- 1) Axis™ RLC-300 Red Light Stationary Camera Systems ("RLC-300" or "Automated Traffic Safety Camera System" or "System") in the quantities indicated on Exhibit "D";
 - i) ATS shall install a minimum of Systems at locations to be mutually agreed by the Parties. The Parties may agree from time to time to add, subtract or modify locations where the Systems shall be installed and maintained. A System installed at a location shall be in operation for a minimum of one year at that location, unless the Parties agree otherwise in writing.
 - ii) Each System shall operate on a 24-hour basis, except scheduled downtime for maintenance.
 - iii) Each system shall be capable of using non-invasive (above ground) vehicle detection such as digital video based or equivalent alternative. The installation of invasive or non-digital video equipment shall require the prior approval of the Director of Streets.
 - iv) If additional electronic supply lines are needed, and such addition is approved by the Director of Streets, the costs of any such addition shall be split equally by the City and ATS and shall be paid out of revenue collected solely from the issuance of citations.
 - v) ATS shall be authorized to use existing street furniture, poles, available conduit and existing power for the purposes of installing and operating the Systems. The System shall in no way interfere with the cycling, timing, and/or sequencing of the City's traffic signals. Unless unavailable at the selected site, ATS shall provide for its own metered service pedestal for each site. In all other instances ATS shall be allowed to tap into the same power line feeding the City's meter or power source at each Intersection. If the Power source to which a circuit may be attached is not present at any Intersection, ATS, at its expense, shall extend such power source to an agreed upon location at the Intersection convenient to both Parties. If a new power service is needed due to the lack of existing power, ATS shall then attach a meter pedestal at the agreed upon location at the Intersection and pay all monthly power fees directly to the provider of the power. Aside from the provision of the power source described above, any additional construction required at any Intersection to effect the power source, such construction shall be at ATS' sole expense.
- 2) ATS shall provide the City an automated, web-based citation processing program ("VPS") including image processing, mailing of a citation and a reminder notice, printing and mailing costs. Citation processing shall be conducted in a timely manner to comply with applicable statutes for filing citations. Each citation shall be delivered by First Class mail to the registered owner within an agreed or statutory period. For any citation where there is no response, a reminder notice will be sent by First Class mail after the agreed or statutorily mandated time period. Subsequent notices may be delivered by First Class or other mail means for additional compensation to ATS as agreed by the Parties.
- 3) ATS shall also provide the following services: violation processing services including delinquent collections services; Missouri DMV records access; mailing of 1st notice in color with return envelope, mailing 2nd reminder notice (text only) with return envelope, and website access as described in Section 2) of this Exhibit "A;" call center support for general program questions; public awareness program and support; and those services described in this Agreement and any other Exhibits attached hereto.

- 4) The business processes under this Agreement shall be documented and agreed to between ATS and the City.
- 5) ATS will transmit, over a secure File Transfer Protocol (FTP) transmission, an electronic file to the City's REJIS System with periodic updates (typically daily) of all citation notices issued, and will update the status of all accounts based on disposition information provided by the City, indicating payments received or cases otherwise closed, dismissed or resolved.
- 6) The City Counselor's Office at City Courts will be provided on-line access to the VPS system which will enable retrieval and/or printing of at least one Evidence Package for each citation which is contested or requires a hearing. The Evidence Package typically includes a copy of the violation notice or a set of images with related documentation for each citation issued. In the instance of an issued citation where the vehicle owner provides evidence, as detailed in City of St. Louis Ordinance 66868 Section Five B.2, that the motor vehicle was operated by a person other than the owner, the City Court or the City Counselor's Office may terminate the prosecution of the citation issued to the Owner, and, if appropriate, issue a citation to a person clearly identified in the evidence as the operator of the motor vehicle at the time of the violation.
- 7) ATS shall provide, at no cost to the City, a comprehensive training program inclusive of all training materials to City personnel in each course category listed below. Each training class within a course shall consist of no more than fifteen (15) City personnel per class. The training courses shall include, but not limited to, the following categories:
 - i) Equipment orientation;
 - ii) The software programs used for citation processing;
 - iii) ATS' customer service and payment operations;
 - iv) How the Camera System operates from a certified technician and trained camera operator; and
 - v) Court operating practice that will provide a historical and legal framework review of photo enforcement, the common reasons for dispute, the tactics of the defendants, and the typical counter measures used by the prosecution. The course shall be applicable to court clerks, City attorneys, police and other public safety personnel and, and judges.
- 8) ATS, at its cost, shall prepare, with the City's approval, a comprehensive thirty (30) day public awareness campaign that shall be completed before the Violation is issued. ATS shall perform and work in cooperation with the City Mayor's Office, Street Department, Department of Public Safety, and other appropriate City departments in developing said public awareness campaign. ATS shall produce the following public awareness deliverables:
 - i) One public opinion research study of up to 400 registered voters with up to 10 questions each year.
 - ii) Drive time advisories for 30 days during the program warning period.
 - iii) Educational and engaging website page content to be provided to the City's webmaster.
 - iv) Design and content of one graphically appealing and informative public education pamphlet (8½ x 11") (materials to be printed and distributed by the city).
 - v) PowerPoint slide show for use by the Mayor, Board of Aldermen, the Police Chief, and other City personnel for presentations and speaking engagements
 - vi) 100 Media kits including:
 - (1) Press Releases
 - (2) Media Advisories
 - (3) Backgrounder on City's photo enforcement program

- (4) Project "fact" sheet
- (5) Research summary confirming effectiveness of program in other markets
- (6) Graphics (How a Red Light Camera Works, Sample Traffic Citation)
- (7) Assistance with media kick-off event, press conference and media briefing

ATS shall provide proactive ongoing media relations activities (i.e. pitching story ideas, bookings appearances up to eight (8) hours of Public Relations consultant time per month for six (6) months and four (4) hours per month thereafter on a maintenance basis). Moreover, ATS shall work with and assist the City throughout the term of this Agreement to keep the public abreast of the Automated Traffic Safety Camera System after the above-noted thirty (30) day public awareness campaign.

- 9) Expert witness as reasonably necessary to establish judicial notice; i.e. the accuracy, technical operations, and effectiveness of the Axis System for contested citations.
- 10) ATS shall submit the following or similar Reports detailing System results:
 - i) Automated Enforcement Operations:
Upon request, ATS shall provide the below reports to the City's Director of Streets, detailing automated enforcement operations, including but not limited to the following:
 - (1) Violation Records;
 - (2) Detailed Phone Customer Assistance;
 - (3) Appointments Scheduled/Held;
 - (4) Citation Status/Dispositions;
 - (5) Equipment Hours of Operation;
 - (6) System Reliability/Operations; and
 - (7) Performance Data
 - ii) Statistical Reports:
Upon request, ATS shall provide the below reports to the City's Director of Streets and/or the City Court Administrator detailing statistical data, including but not limited to the following:
 - (1) Total number of recorded events detected;
 - (2) Total number of Citations issued;
 - (3) Total number of prosecutable image rate by location and in total;
 - (4) Total number of recorded violations that occurred and the percentages of total vehicle traffic per lane;
 - (5) The total number of percentage of rejected image by reason (broken down into controllable and uncontrollable reasons). The sum of all events shall include the exceptions listed below:

ATS' Controllable Exceptions:

False camera triggers
 Dark or improperly illuminated images
 Washed out license plates / reflective sheeting
 Out of focus / unreadable license plate Images
 Images w/unmatched violation event data
 Improper red time delay
 Green light in second image
 Too old to issue notice (legal time expired)
 Wrong license plate entered
 Red light not visible in frame

ATS' Uncontrollable Exceptions:

Missing license plate
 Obstructed license plate
 Unenforceable license plate – law enforcement or emergency vehicle
 Funeral procession / other wave through
 No DMV record found
 Lawful right/left turn on red after stop
 Directions from peace officer or flag man
 Faulty signal equipment
 Vehicle clearing an intersection

License plates with plate blockers
Police waiver of enforceable right or
left turn on red
Other event types identified and
approved by the Director of Streets

iii) Financial Reports:

ATS shall furnish the Office of the Comptroller with the following financial reports:

- (1) Monthly and Fiscal YTD Collections & Gross Revenues by category, e.g. citation, late fee, ect.;
- (2) Aged Accounts Receivables with detailed information showing dollar amounts for 30, 60, 90, 120, and 180 days outstanding and number of accounts in each;
- (3) Lists of credits and adjustments by account, summary reports by type of adjustments and the value of the adjustments;
- (4) Monthly billing information of citations indicating original billing information, rebilling information to new violator, adjusted billing, and collection notices; and
- (5) Monthly and YTD collections information of past due accounts.

iv) Standard Reports:

ATS shall furnish the City with the following standard reports upon the City's request. These reports shall provide the City with long-term analysis data Violations and Violation trends. These reports shall be grouped by the following:

(1) Program Statistics Report:

This report is an executive level management report summarizing the monthly historical program results on one page. The report shall provide a breakdown of all Notices of Violation issued for each month of the selected year. The notice(s) shall first be reported by the issuance date then by the Violation date. Each of the two sections shall include the number of notices issued (actionable Violations), the number of exceptions (un-actionable Violations) and the number of total events. In addition the average number of notices, exceptions and total events by location by Violation date, the adjudication results, and the fee(s) received shall also be included.

This report can be expanded to differentiate between the speed and red light Violation notices. The performance figures can reflect a range of film, video and new color digital camera systems.

(2) Location Performance Summary Report:

This report shall provide a count, by camera location, of the total number of Violation events for the date rang selected. It Shall also include the total number of Violation exceptions (or, un-enforced Violations) and shall further break this figure down into those that impact camera performance (performance exceptions) and those that do not (exception exceptions).

(3) Location Performance Detail Report:

This report shall provide further analysis of each camera location by listing specific Violation exception reasons (reasons that the Violations were deemed unenforceable) for the date range selected. The reasons shall be grouped by those that impact camera performance (performance flag is set) and those that do not.

- (4) Location Reject Statistics Report:
This report shall provide summary and detail level exceptions (reject reasons) for a grouping of camera locations. The grouping of camera locations is configurable.
 - (5) NOL/Citation Monthly Aging Report:
This report shall show for each camera location the disposition of all Notices of Violation for the months selected. It shall include, for example, how many notices were paid before the second (late) notices were issued. This report can be expanded to include other dispositions, such as complaints filed or for whom personal service has to be initiated.
 - (6) Daily User Activity Report:
This report is a management report providing daily operational statistics at an individual user level for work performed on the Violation workflow processing steps. It includes the login time, the logoff time and the various back-office operational activities performed throughout the day.
 - (7) Queue Graph Report:
This report is a management report that provides the current number of Violations waiting at each manual and automated Violation workflow step. This report helps determine where operation support is needed in order to process the Violations in a timely manner.
 - v) Customized Reports:
ATS shall work closely with the Director of Streets and/or the City Court Administrator to determine the exact data elements and requirements for each of the reports types listed above. ATS shall have the capability to create customized reports to meet the needs of the Director of Streets and capture the data elements and information that the City requires. The Director of Streets shall identify employees that shall receive certain reports only by email and which City employees shall have direct access to ATS' report system.
- 11) ATS shall provide routine maintenance and cleaning of Systems at their sole expense.
 - 12) The City, through the Director of Streets, may instruct ATS to relocate any System installation during the Term of this Agreement, as the City's expense. Should ATS request to relocate any System installation during the Term of this Agreement, such relocation, only upon the approval of the Director of Streets, may be relocated at ATS' sole expense. Should the City, through the Director of Streets, and ATS mutually agree to relocate any System installation during the Term of this Agreement, the cost of such relocation shall be split among the Parties.
 - 13) ATS shall comply with time schedule as detailed in Paragraphs 4 (Notice to Proceed) and Paragraph 26 (Force Majeure) of this Agreement.

Exhibit B
CITY SCOPE OF WORK

- 1) The City shall, according to normal processes and procedures, prosecute each Citation and shall, notwithstanding the City's discretion on any individual case, defend against challenges or appeals to the use of the Axis System according to established policies and procedures;
- 2) The Office of the City Counselor, in cooperation with the St. Louis Police Department, will use the VPS on-line application to review each potential violation to determine which violations will be issued as citations. The VPS will apply an electronic signature to each approved citation, if desired.
- 3) Provide a judge and the City Court facilities to schedule and hear disputed citations;
- 4) Provide customary fine collection services for all final dispositions. The City agrees to pursue payments of tickets with service of follow-up letters or summons as required by Missouri Rule 37. Additionally, City agrees to pursue registration suspensions or other legal and customary means necessary to compel payment of outstanding notices, including adherence to Section 301.025.5, 6, 7, 8, and 9., RSMo, otherwise known as "Flag the Tag," which became legal as of July 1, 2005, and is applicable to the City.
- 5) The City shall transmit an electronic file to ATS from its REJIS system with daily updates of all citation disposition information provided by the City indicating payments received or cases otherwise closed, dismissed or resolved.
- 6) The City shall provide the assistance and expertise of the City's Director of Streets, or his designee, as a project manager with authority to execute City responsibilities under this Agreement.
- 7) City shall arrange or designate a primary municipal court contact to manage the court related aspects of the integration and operation.
- 8) As time is of the essence, City shall direct its departments to cooperate with ATS with respect to required systems integration and program implementation.
- 9) The City agrees to use due diligence in working with ATS to acquire in a timely manner the necessary permits under its control (e.g., but not limited to, an encroachment permit), approvals and other necessary documentation, from the City (and the State, if necessary and if possible) to enable the Axis System installation after the submission of the plans.
- 10) The City shall allow or facilitate access to traffic signal phase connections to a pull box, pole base, or controller cabinet nearest to each System camera within the City's jurisdiction.
- 11) The City shall post warning signs, to be approved by the Director of Streets, at each intersection approach. This signage shall be installed and maintained by the City and shall meet current and future state and local laws and regulations to insure proper notification to drivers of the System in advance of the intersection.
- 12) If City-owned telecommunications lines or WiFi networks are present at or near the site and pursuant to agreement by the IT department or owner, ATS may, at the City's sole discretion, be allowed to use such infrastructure for data transmission. ATS shall work with the City's IT department to ensure data security is maintained.
- 13) In those instances where damage to the Systems or sensors is caused by the City or its authorized agent due to scheduled or unscheduled road construction or repair, ATS will provide an estimate of the cost of repair. Upon the approval and authorization to proceed by the Director of Streets with the repairs or replacement, ATS shall replace or repair any *damaged equipment and invoice for pre-approved repair cost.*

- 14) The City shall provide a letter for the Violation Processing subcontractor to use with the State Department of Motor Vehicles indicating that the ATS is acting on behalf of the City for the purposes of accessing vehicle ownership data pursuant to the list of permissible uses delineated in the Drivers Privacy Protection Act 18 U.S.C. § 2721, Section (b) (1).
- 15) City shall work with REJIS to facilitate timely and efficient integration of citation data into the City's REJIS system.

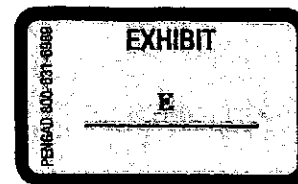
Exhibit C
SERVICE FEES

- 1) The City has allocated no funds for this Agreement. All Payments to ATS under this Agreement, except as otherwise provided for in this Agreement, for services shall be made from the revenue collected solely from the issuance of citations, less court fees and returned check fees.
- 2) The City agrees to pay ATS a per-paid citation fee of Thirty-one Dollars and Thirty-three Cents (\$31.33) ("Fee").
- 3) The Fee shall include the services provided by ATS, as described in this Agreement, Exhibit "A," and any other Exhibits attached hereto.
- 4) The Parties agree that the Fee shall be calculated by multiplying the number of paid citations or notices by the Fee. The Fee shall not be due if the fine is not paid or the citation is dismissed. In addition, a "paid citation" (one for which the per-paid fee is due) includes a payment received by the City as a result of a citation issued relating to a violation documented or evidenced by the Axis® System (e.g. payment due in a conviction or guilty plea of a lesser included offense, including for non-moving violations).
- 5) The City agrees that Delinquent Collections Services, defined as a percentage of collections after second notice, i.e, as a result of collections processing, shall be twenty-five percent (25%) of the Violation amount, but said services shall not exceed Twenty-five Dollars (\$25.00) per Violation.

Exhibit D
INITIAL CAMERA LOCATIONS
AUTOMATED TRAFFIC SAFETY CAMERA SYSTEM

- 1) The sites where the Automated Traffic Safety Camera Systems ("System") will initially be installed will be selected after careful analysis, consultation, and cooperation by the St. Louis City Police Department, Department of Streets, Department of Public Safety, Office of the City Counselor, and ATS engineers.
- 2) The City approves that ATS install an initial ten (10) rear-only, Systems at intersection approaches at locations which will be mutually agreed by the Parties based on traffic violation and safety assessments conducted. The Parties may agree from time to time to add, subtract or modify locations where the Systems shall be installed and maintained. A System installed at a location shall be in operation for a minimum of one year at that location, unless the Parties agree otherwise in writing.

**CITY OF ST. LOUIS
BOARD OF PUBLIC SERVICE
MBE/WBE UTILIZATION PLAN**



CONTRACTING AGENCY: City of St. Louis
PROJECT NAME: Automated Traffic Safety Camera System
NAME OF PRIME CONTRACTOR: American Traffic Solutions, Inc.
MBE OR WBE?: No

The prime contractor shall utilize and require all subcontractors to utilize the maximum number of **certified** minority or women-owned business enterprises possible and will purchase materials and supplies from disadvantaged business enterprises to the maximum extent feasible, and to this end, the prime contractor will inform each subcontractor of this requirement.

The prime contractor shall utilize the services and/or supplies provided by the following **certified** minority or women-owned business enterprises in the execution of this contract. Any substitution of firms will require the prior written approval of the Contracting Agency and the St. Louis Development Corporation.

FIRM NAME, ADDRESS, PHONE NUMBER, CONTACT PERSON (a)	CERTIFICATION NO. (b)	BID ITEM(S) OF WORK TO BE PERFORMED AND/OR MATERIALS SUPPLIED (c)	BID AMOUNT (d)
Roman Communications 2510 Sutton Blvd. St. Louis, MO 63143 (314) 647-9232 Judy Roman	WBE1113	Public Relations Services	\$36,000
Questmark 7102 Mullins Dr Houston, TX 77081 (713) 662-9022 Reid Kuhn	Woman Owned Business	Printing and Mailing	\$121,000
Watson-Wesley Coleman, LC 4400 Lindell Blvd. Ste 12G St. Louis, MO 63108 314-367-5549 Denise Watson-Wesley	M/WBE997	Delinquency Collections Services	\$160,000

Total bid amount was calculated by multiplying \$4,000 x 10 cameras * 36 months.

TOTAL DOLLAR AMOUNT OF PRIME CONTRACT:	\$	<u>\$1,440,000</u>	
TOTAL DOLLAR AMOUNT OF MBE SUBCONTRACTS:	\$	<u>\$160,000</u>	PERCENT MBE: <u>11.1%</u>
TOTAL DOLLAR AMOUNT OF WBE SUBCONTRACTS:	\$	<u>\$157,000</u>	PERCENT WBE: <u>10.9%</u>


 PRIME CONTRACTOR AUTHORIZED SIGNATURE
 6/7/06
 DATE

MBE-5